

Message Text

LIMITED OFFICIAL USE

PAGE 01 ISLAMA 10833 151345Z

43

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 PM-03 NSC-05 SP-02 SS-15 RSC-01

CIAE-00 DODE-00 INR-05 NSAE-00 PA-01 USIA-06 PRS-01

AID-05 EB-04 COME-00 TRSE-00 CIEP-01 OPIC-03 XMB-02

/077 W

----- 120340

R 151025Z NOV 74

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 7657

INFO AMEMBASSY BONN

OECD PARIS 688

LIMITED OFFICIAL USE ISLAMABAD 10833

E.O. 11652: N/A

TAGS: EIND, EAID, GW, PK

SUBJECT: WEST GERMANY CONCLUDES ECONOMIC ASSISTANCE

AGREEMENT WITH PAKISTAN

BEGIN UNCLASSIFIED

1. SUMMARY. GOP AND WEST GERMANY CONCLUDED AGREEMENT TO PROVIDE ECONOMIC ASSISTANCE OF DM 225 MILLION IN FY 74/75. OF THIS SUM, DM 22 MILLION CONSTITUTES GRANTS, DM 90 MILLION LONG-TERM LOANS AND DM 113 MILLION DEBT RELIEF. LOANS DIVIDED BETWEEN DM 50 MILLION FOR PURCHASE OF COMMODITIES AND DM 40 MILLION FOR PROJECTS, PRIMARILY FOR PROPOSED FAUJI FERTILIZER PLANT. PRO-

CUREMENT IS NOT TIED. DEBT RELIEF IS IN ACCORDANCE WITH TERMS OF CONSORTIUM AGREEMENT. END SUMMARY.

2. OCTOBER 15 EDITION OF SEMI-OFFICIAL PAKISTAN TIMES CARRIED FOLLOWING ARTICLE REPORTING WEST GERMAN ECONOMIC ASSISTANCE TO PAKISTAN. BEGIN TEXT.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ISLAMA 10833 151345Z

". THE GOVERNMENT OF PAKISTAN AND FEDERAL REPUBLIC OF GERMANY TODAY SIGNED AGREEMENTS PROVIDING GERMAN ECONOMIC ASSISTANCE TO PAKISTAN TOTALLING DM 225 MILLION FOR THE FINANCIAL YEAR 1974-75. OUT OF THIS AMOUNT ABOUT DM 22 MILLION CONSTITUTE GRANTS.

"THE AGREEMENTS FOLLOWED NEGOTIATIONS HELD HERE BETWEEN THE DELEGATIONS OF THE TWO COUNTRIES ON FINANCIAL AND TECHNICAL ASSISTANCE, DEBT RESCHEDULING AND OTHER MATTERS OF ECONOMIC CO-OPERATION.

"AS A RESULT OF THESE NEGOTIATIONS, A GOVERNMENTAL AGREEMENT WAS CONCLUDED ON FINANCIAL ASSISTANCE UNDER WHICH THE FEDERAL REPUBLIC OF GERMANY WILL PROVIDE IN 1974 FINANCIAL ASSISTANCE AMOUNTING TO DM 90 MILLION. OUT OF THIS, AN AMOUNT OF DM 50 MILLION WILL BE USED FOR THE PURCHASE OF COMMODITIES AND THE BALANCE OF DM 40 MILLION FOR FINANCING PROJECTS. THE TERMS AND CONDITIONS OF THE LOAN ARE: 30 YEARS MATURITY INCLUDING A GRACE PERIOD OF 10 YEARS AND AN INTEREST RATE OF TWO PERCENT. THE LOAN IS NOT TIED TO PROCUREMENT IN THE FEDERAL REPUBLIC OF GERMANY.

" IT IS ENVISAGED TO USE THE FUNDS EARMARKED FOR PROJECTS TO FINANCE A FERTILIZER PLANT AND THE LEFT BANK OUTFALL DRAIN PROJECT. IN ADDITION, FUNDS HAVE ALSO BEEN SET ASIDE FOR FINANCING PRIVATE INDUSTRIES.

" AN AGREEMENT REGARDING LONG-TERM DEBT RELIEF TO PAKISTAN FOR 1974-75 AMOUNTING TO DM 113 MILLION WAS ALSO CONCLUDED.

" AN AGREEMENT WAS ALSO REACHED ON THE CONCELLATION OF DEBT USED ON PROJECTS IN FORMER EAST PAKISTAN." END TEXT.

BEGIN LIMITED OFFICIAL USE

3. NOVEMBER 15 EBERHARD SCHLANGE, GERMAN EMBOFF IN CHARGE OF ECONOMIC ASSISTANCE, TOLD EMBOFF THAT ABOVE ARTICLE WAS CORRECT. HE ADDED THAT, CONFIDENTIALLY, ENTIRE DM 40 MILLION TO FINANCE PROJECTS IS INTENDED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ISLAMA 10833 151345Z

FOR PROPOSED FAUJI FERTILIZER PLANT. ASSISTANCE FOR LEFT BANK OUTFALL DRAIN PROJECT AND PRIVATE INDUSTRIES MENTIONED ABOVE WILL BE FROM PIPELINE FUNDS. SCHLANGE ADDED THAT IT WAS CONTEMPLATED THAT AGREEMENT FOR NEXT FISCAL YEAR WOULD INCLUDE ADDITIONAL ASSISTANCE FOR FAUJI FERTILIZER PLANT.

4. SCHLANGE STATED THAT DEBT RELIEF WAS STRICTLY IN ACCORDANCE WITH TERMS OF CONSORTIUM AGREEMENT. FOR TECHNICAL REASONS, GERMAN DELEGATION FOUND IT MORE CONVENIENT TO CONCLUDE FOUR SEPARATE ANNUAL AGREEMENTS RATHER THAN ONE AGREEMENT FOR ENTIRE PERIOD.

END LIMITED OFFICIAL USE.
BYROADE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, FOREIGN ASSISTANCE AGREEMENTS, GRANTS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ISLAMA10833
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740330-0501
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741141/aaaabhzs.tel
Line Count: 123
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 07 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 MAY 2002 by boyleja>; APPROVED <18 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WEST GERMANY CONCLUDES ECONOMIC ASSISTANCE AGREEMENT WITH PAKISTAN
TAGS: EIND, EAID, GE, PK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005